



Why ICANN Accreditation?

It is vital for all established web service providers to understand the power of ICANN Accreditation. Apart from the obvious cost benefits, the huge differentiation advantage also needs to be accounted for, before any organization decides to take the leap. Through this document, we wish to bring home these advantages in a precise yet comprehensive fashion.

As an ICANN Accredited Registrar, you not only have the ability to establish a Reseller chain, but also be immediately recognized as a potential source for all small and medium sized hosting companies, especially the ones geographically close to you and speaking the same language.

Most of the Registrars make only a slight profit on Domain Names, while many are even incurring losses on every Domain sold by its Resellers. This fact that is often baffling to most and contrary to general expectations.

Why then, does an organization make such heavy investments and take the Herculean effort required to get ICANN accredited?

The answer to this crucial question has been illustrated below.

The Cost Advantage

The variable cost attributable to ICANN Accredited Registrars can be categorized as follows:

1. Registry Fees

Registry Fees			
.Com	\$6.00	per Domain	1 Year
.Net	\$4.25	per Domain	1 Year
.Org*	\$6.00	per Domain	1 Year
.Info*	\$5.75	per Domain	1 Year
.Biz	\$5.30	per Domain	1 Year

Note:

.Org - (Current Promo – US\$ 2.00 / year for Registrants from specific developing nations)

.Info - (Current Promo – 1 year Registration US\$ 1.00)

2. ICANN Variable Fees

There is an additional ICANN variable fee of US\$ 0.22 per domain year attributed to Domain Names. This fee is paid once you begin registering domain names. It represents a portion of ICANN's operating costs based partly on your share of overall domain name registrations in the TLDs for which you are accredited, so it will vary depending on your volume of names registered as well as the total volume of all names registered.

3. Total per Domain Year Cost

Registrar Cost				Average Reseller Cost			
.Com	\$6.22	per Domain	1 Year	.Com	\$6.95	per Domain	1 Year
.Net	\$4.47	per Domain	1 Year	.Net	\$6.95	per Domain	1 Year
.Org	\$6.22	per Domain	1 Year	.Org	\$6.95	per Domain	1 Year
.Info	\$5.97	per Domain	1 Year	.Info	\$6.75	per Domain	1 Year
.Biz	\$5.52	per Domain	1 Year	.Biz	\$6.30	per Domain	1 Year

The Brand Advantage

Industry Recognition

There are only about 900 odd entities on the planet that have been able to obtain ICANN Accreditation, while only about 200 have managed to become operational.

For a customer, the ICANN Accredited Registrar logo epitomizes trust, stability and strength.

A customer perceives an ICANN Accredited Registrar as an entity which has been recognized by the highest authority in the Domain Name Industry, to have a strong technical and financial background and one that has stable, scalable and effective

systems.

A Whois query on every Domain Name Registered reveals the Identity of the Registrar and promotes his brand image.

This crucial branding advantage simply cannot be matched by a Reseller of any size and is perhaps the biggest reason for any company to apply for Accreditation.

Boost Sales of Allied Services

You might be convinced that an ICANN Accredited Registrar has a massive branding advantage over Resellers. But the question that might still linger in your mind is - How will this branding translate into Dollars?

The Answer is simple;

We must remember that a Domain Name is only a small portion of an individual's web-presence purchase. A Domain Name alone cannot possibly serve any person's need and must be accompanied by a one or few of the allied services that go along with it.



Some of these services include Web Hosting, Domain Forwarding, Managed DNS, E-mail Solutions and Web Development.

Registrars often aim to lure Customers and Resellers by offering rock bottom prices on Domain Names, with the expectation that along with the Domain Name the customer will also buy the various allied services, from the same source.

“A cheap Domain Name is used as a bait to draw customers and leverage sales of other allied services that go along with a Domain Name”

This expectation is often justified as every buyer would aim to reduce his points of contact and purchase as many products as he can, from one source. It is from the sales of these allied services, that the Registrar will make his profits.

This is the business model employed by many of the top Registrars in the business – Enom, GoDaddy & Directi to name a few.

Complete Control, Autonomy and Secrecy

Another huge advantage that Registrars have over Resellers is - complete autonomy and control over ones operations.

Almost every aspect of a Reseller’s Domain Registration business is driven by the parent Registrar. Resellers do not even have complete control over various mission-critical aspects of their business, such as Pricing, Services Offered, Control Panel Features and Renewal Policy.

Moreover, Resellers are always at the mercy of their parent Registrars, when it comes to crucial support issues. Resellers may, on many occasions lose important clients, due to no fault of their own, but due to a problem at the Registrar’s end.

Resellers are also inhibited in their efforts to create a multi-level marketing chain.

“Due the transparency of the Registrar’s name, the Reseller’s Sub-Resellers often choose to become Resellers of the Registrar directly. This forces the Resellers to solely concentrate on the low – volume, end-customer market, which many a times does not seem worth it”



The Revenue Advantage

Landrushes

Whenever a new TLD is about to be launched, every Registrar gets the chance to collect pre-registrations from the customers who wish to obtain the best domain names of the new TLD.

When the new TLD is launched, every Registrar gets an equal number of connections to the Registry to acquire the pre-registered Domain Names.

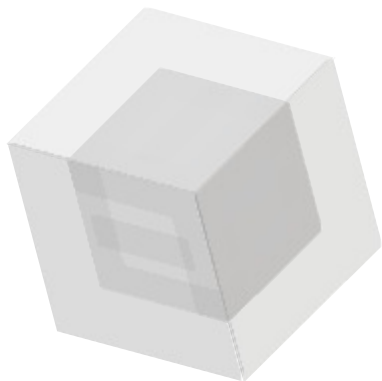
These pre-registrations usually allow for higher margins in the range of several hundred dollars. Hence Landrushes, although rare, represent a significant profit-making opportunity for Registrars.

Domain Parking

Most customers who purchase a Domain Name will not instantly begin using it for hosting their website. They will take some time to implement their online strategy. During this period you can offer a free parking service which not only gives small parked page message but also uses a pay-per click engine to display paid advertisements.

One can also choose to offer Domain Parking as a product to your customers and share the parking monetization revenue with them. A large chunk of the domain names registered in the internet are inactive and do not have hosted websites on them. You can attract these customers by working out revenue opportunities for them as well as you, by simply parking their domain name with you.

In most circumstances you will actually find that, (especially while catering to lower margin customers) that the income earned out of the above techniques can comfortably cover all ICANN Accreditation costs.



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